Review of price structure of Medicinal Formulations

*184. SHRI GHULAM NABI AZAD: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that prices of some medicinal formulations have been substantially increased by the manufacturers;

(b) if so, the reasons therefor;

(c) whether Government propose to review the price structure of these formulations a'nd bring down the prices to a fairly reasonable level wherever necessary, so that medicines remain available to the general public at reasonable rates; and

(d) if so, the details thereof?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SUKHDEV SINGH DHINDSA): (a) to (d)sChangcs in the price of medicines, like other commodities, is a normal feature. For a scheduled formulation, a manufacturer is required to follow the price fixed by the Government. If the Government notifies ceiling price in case of any scheduled formulation, it has to be followed by all manufacturers. Prices of non-scheduled formulations are fixed by the manufacturers themselves. The National Pharmaceutical Pricing Authority (NPPA) nevertheless monitors the movement of prices of non-scheduled formulations and intervenes whenever necessary in the public interest.

An analysis of the prices of 206 medicines representing different therapeutic groups published in ORG-MARG for the period December, 1999-Decembcr, 2000, shows that while the prices of 18 formulations came down, those of 86 remained unchanged. The prices of 102 formulations showed an upward trend. Of these, 43 went up by less than 5%, 31 between 5 and 10%, 20 between 10 and 20% and the remaining 8 formulations by between 20 to 50%. Major factors which normally contribute to increase in prices of medicines are cost of raw materials, (active ingredients, excipicnts & packing materials etc.,) processing and packaging costs, cost of sales promotion, R&D cost, etc.